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Research Paper

Voluntary Organizations in Ontario in the 1990s

1999 revised 2000

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FOREWORD

We were stimulated to undertake this study by a sense that the circumstances in which Canada's voluntary organizations are functioning, their ways of operating and perhaps the organizations themselves, are undergoing fundamental change. We also sensed that this change in all its forms may be consequential for our society as a whole and merited a better understanding. A fully detailed picture of the sector's organizations, their circumstances and dynamics, would have required a broad, multi-faceted research strategy — and ample resources to support it, which we did not have; we elected, rather, to procure moderately detailed information systematically from knowledgeable people within a diverse set of voluntary organizations themselves. For this, we turned to leaders of organizations in the sector within Ontario from whom we requested information on many topics and issues. The organizations ranged from very small ones with no paid staff and twenty-thousand dollar annual budgets, to large ones with hundreds of people on staff, hundreds of volunteers, and budgets in the scores of millions of dollars.

Forty executive directors of voluntary organizations in 8 Ontario cities and towns gave generously of their time in interviews that were conducted between September 1997 and January 1998. Each interview took 2 to 3 hours. In addition, a written questionnaire was completed by each organization. Because we promised anonymity to the participating agencies, we cannot name them individually but we thank them collectively for their contributions to this project — they were indispensable. Many offered not only information in response to our questions but insights and detailed understanding as well. In the end, this has resulted, we believe, in a picture of the voluntary sector in Ontario that is sufficiently reliable to support a number of conclusions and generalizations about the sector and its evolution in a province of 11 million residents. While it is likely that more than a few of our findings hold true in other parts of Canada as well, we have not ventured into such territory in this report.

We are indebted to the Nonprofit Sector Research Initiative, directed at the time of the study by Hugh Segal and supported by the Kahanoff Foundation, for underwriting this study. Their financial and moral support made it possible and for that we are grateful.

Acknowledgements

When we began this study, we had a firm idea of what we wanted to achieve; we were somewhat less certain, however, of how best to do it. We knew it was essential, particularly in developing the questionnaire, to engage the assistance of others who were especially knowledgeable about the voluntary sector and its organizations and who also had varied perspectives. We received generous counsel from Paddy Bowen, Diane Consoul, Paul Cornish, Heather Davis, Warren Dow, Robert Glossop, Michael Hall, Bryan Hayday, Penny Mount, Wayne Ng, Anne O'Connell, Dan Paré, Judy Perley, Mark Totten, Denise Vallely and Armine Yalnizyan and we thank them for their many suggestions and advice. Valuable as their counsel was, their support and encouragement was even more appreciated. We thank Warren Dow and Erwin Dreessen for editing the original version of the paper.

The 275-question 2-part questionnaire we developed for this study is available electronically on request from the authors, who also welcome comments and suggestions. We can be reached at:

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DISCLAIMER

Views and opinions expressed in this report are those of the authors or respondents and do not necessarily reflect policies or positions of sponsoring organizations.

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A. Introduction

1. The Starting Point

Concern about the vitality and capacity of Canada's nonprofit and voluntary organizations, especially those that provide social services, has increased dramatically during the 1990s. Reasons for the concern range from the increased need to respond to a variety of social issues (due in part to the rise of new social conditions such as the need for day care for seniors with Alzheimer's disease, the great expansion in the need for foodbanks, and shelter for new categories of homeless people, including families[1]), to shifts in the division of responsibility for social wellbeing among governments and other institutions in Canada. Approximately 30,000 charities were formally registered in the 10 years following 1986, almost 40% of the 75,000 Canadian charities on record. (Day and Devlin, 1996). There has also been a great expansion of certain types of voluntary agencies, such as self-help and support groups for those faced with illness or social crises (Day and Devlin, 1996), and many of these agencies are small and struggling. A number of valued agencies have been forced to close or to drastically cut services, with painful repercussions in their communities.

In addition to concerns about revenues and capacity, questions have been raised about the granting of charitable status, fundraising practices, organizational accountability, legal liability, commercialization, and competition between nonprofits and for-profits.

In a nutshell, the concerns which prompted this and several other recent studies have been of two varieties:

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[1] A recent report by the Co-operative Housing Federation of Canada and the Ontario Nonprofit Housing Association used Census data relating income to rent paid in 11 Ontario cities between 1990 and 1995 and found that nearly one of every two renter households paid more than 30% of their gross income in rent and one-quarter paid more than half of their income on rent -- a drastic increase in the number at risk of homelessness. (Stevenson, Ottawa Citizen, March 23, 1999.)

direct supply-demand questions about service capacity, and more qualitative questions about push and pull pressures on how voluntary agencies operate. Extant studies have focused primarily on one or the other of these two key topics -- in general, the survey-based studies have focused on capacity, and the theoretical or issues papers on qualitative aspects. This study attempts to link the two. Combining both quantitative and interview materials from Ontario volunteer agencies' Executive Directors, we examine how budget cuts, changing public policies and practices, as well as changing community demands and social trends, are leading to pressures on voluntary organizations to change their mode of operating. Using not only the information but also the voices and perceptions of these Executive Directors, we offer insights into the conditions they are operating under and the difficult choices they face.

A third set of concerns which inform this study are those with a wider focus on the place of voluntary agencies and the voluntary sector in contemporary, and future, society. Many see the sector as playing an intermediary role -- for example, Berger and Neuhaus (1977) refer to the important mediating functions of voluntary agencies which act as schools of democracy, laboratories of innovation in social services, and sites of citizen empowerment. The voluntary sphere is the place where individuals come together to pursue collective, indigenously-organized projects. It is the locus of connections and caring where the purposes and the mode of operation differ significantly from behaviours typical in government or business contexts. (Wolfe, 1989; Saul, 1995; Lohmann, 1992; Jacobs, 1992; Galbraith, 1996) The activity we address in this paper is neither a creature of government nor an aspect of business but an essential element of Canadian society, the place where people associate, strive to give expression to ideals, and replenish themselves things which receive insufficient outlet in the domain of politics or business (Wuthnow, 1995). Because the sector contributes something distinctive to the life of our society, this research into changes and trends in the sector concerns not only the robustness and capacity of voluntary agencies but also their sustainability in the ways in which they respond to community needs.

This study was undertaken primarily to ascertain the state of the voluntary sector in one large Canadian province, both on a broad scale and in specific aspects. But it also had a secondary objective: to identify

the kinds of information that might be considered for inclusion in an ongoing national statistical program on voluntary organizations, as part of a comprehensive knowledge base on the voluntary sector as a whole.

2. The Study's Design

Key Concepts

In its broadest conceptualization, the nonprofit sector refers to the realm where people associate outside their households; it is a third realm that exists beyond the structures of both markets and governments. This includes registered charities, universities, hospitals, and churches, as well as credit unions, cooperatives, trade and professional associations, social, self-help, mutual benefit, sports, and advocacy organizations, both formally organized ones and those which are not. This concept approaches the even broader, and vaguer, concept of civil society – the place where people meet and interact for shared purposes, thus developing a society's social capital (Wolfe, 1989; Putnam, 1982; Jacobs, 1992.) There are estimated to be over 175,000 organizations in Canada which, as registered nonprofits, enjoy certain tax advantages over organizations which generate and distribute profits to their owners. In this broader sphere, the element of caring and contributing to others is less prominent than in the smaller realm of charitable and voluntary activity.

Our focus is on the smaller category of charities. Charitable status is granted by Revenue Canada to organizations — about 80,000 by the late 1990s — which not only do not distribute profits to their owners but are devoted to one of a small set of specified public purposes such as the promotion of religion, education or designated public benefits. Revenue Canada has further requirements, such as stipulations that the organization's Board must be made up of volunteers, limits on the proportion of income which can be devoted to administration, and the requirement that no more than 10% of revenues can be allocated to advocacy, for an agency to receive and retain its charitable status. We are not concerned here with all charitable organizations; in particular, we have not included universities, churches, or hospitals. Our interest

is with a subset of charitable organizations which are community-based, utilize volunteers and respond to social needs.[2]

A Qualitative Approach, with Links to Quantitative Data

The quantity and detailed content of the information we wanted required direct, extended interviews with the chief officers of voluntary agencies. Participants engaged in a three-hour depth interview with two interviewers and subsequently completed a written questionnaire detailing budget and human resources information.

The in-person depth interview provides benefits which cannot be achieved through a large-scale survey. This method is intended to capture more of the detail, experience and "colour" of the changes faced by Ontario organizations. While a survey can tell us how many organizations had to reduce staff or hire staff on short-term contract, interviews can tell us more about how that response to fiscal crisis has worked, or not, in concrete situations. Face-to-face interviews permit questions for which there are few predetermined answers, as there must be with survey questions. Interviews also provide opportunities to explore the connections between factors such as the nature of the community and the pressures on different agencies, or the connections between macro changes and micro impacts. We saw, for example, how individual directors of particular agencies in specific communities are struggling to diversify their funding sources — and the emergent impacts of their decisions and adaptations. The interviews were complemented with a leave-behind questionnaire seeking detailed information about the organization's budget and staff.

Ultimately, both the qualitative and quantitative information from our interviews and questionnaires was captured in a statistical data file and related to other contemporary studies. We also considered our findings in light of recent 'trends' studies or commentaries such as the 1996 discussion paper of the Ontario

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[2] Even more specifically, we were interested in those which provide for basic individual and family needs rather than those which provide what we might call amenities — public benefits of a more discretionary nature such as symphony orchestras or sports arenas.

Advisory Board on the Voluntary Sector, the 1997 study prepared by Volunteer Vancouver, and the report of the Panel on Accountability and Government in the Voluntary Sector in 1999.

Diverse Clients And Other Elements of Diversity We Selected For

Following extensive consultation, we selected 40 quite different organizations in 8 diverse communities which would portray the full range of variation in experience and operating conditions in the sector – variation in terms of type of service and clientele, size (both budget and staff complement), local and national, single site and with multiple branches. Among them were organizations that served children and infants (7); low income people (5); those who are ill, disabled or elderly (7); people suffering from a mental health problem (4); those who are developmentally impaired (2); new Canadians (3); and Aboriginal people (1).

The largest operated on an annual budget of over $50 million, and several were tiny with budgets in the range of $50,000; most were modest organizations with budgets of several hundred thousand dollars yearly. Staff complements ranged from no paid staff to hundreds. While most addressed the needs of a particular group of people, some, such as community resource centres, were multi-service agencies. One of the Directors we interviewed operated a 100% voluntary organization from her home; some directors directed one site, but half directed more than one facility and the range varied to a maximum of over 30 sites under the direction of one Executive Director. A number of agencies offered programs at various sites such as schools, community centres, or in rented space or space exchanged with other agencies.

Different Communities

The agencies we selected were located in central, eastern, and near-northern Ontario in metropolitan, mid-sized urban, and small town communities. One quarter were situated in Toronto, one quarter in Ottawa, and the other half dispersed among six non-metropolitan cities and towns: Sault Ste. Marie; North Bay; Peterborough; Pembroke; Smiths Falls; and Carleton Place. A distinctive feature of the present study is

that it provides for the first time a picture of volunteer organizations outside major centres in Ontario.

3. Tracking Changes in the Voluntary Sector

Our study took place within approximately the same time as two studies by Ottawa-Carleton and Metropolitan Toronto Social Planning Councils respectively, and with some similar questions. In common with those studies, we were interested in such straightforward indicators of organizational capacity and survival in the sector as:

- were resources diminished or changed? were they harder to procure?

- were agencies facing threats to their survival? were agencies closing, consolidating, or cutting back substantially, or anticipating this possibility?
- what activities were the agencies engaged in? were the types of services being offered shrinking?
- who were the recipients of agency services? are the agencies and programs which serve the most vulnerable members of society receiving less funding or under particular pressures? and
- is the distance between need and response (supply and demand) widening? Are communities experiencing serious needs which are unmet by any sector or organization?

Although undertaken entirely independently, the three studies contain a number of observations in common, especially in regard to resources, program cuts, and clients served. The Social Planning Council of Metropolitan Toronto's 1996 survey of community-based human services organizations in Toronto found widespread budget cuts and layoffs as well as increased difficulties in recruiting, keeping, and managing volunteers. Four out of 10 agencies had cancelled at least one program, and program losses particularly affected the provision of skills training, counselling and crisis services, educational upgrading, and immigrant and settlement services. Paid staff were lost among approximately 40% of programs serving persons with developmental disabilities, youth, and immigrants and refugees.

The Social Planning Council of Ottawa-Carleton's 1997 Report on a Survey of Community Agencies notes that throughout the sector, the admonition is to 'do more with less'. The survey revealed that agencies find that in practice, with less they can only do less. This is, no doubt, partly a result of the fact that voluntary agencies have never been well-resourced and cuts have been ongoing for several years now, leaving agencies with little if any fat to be trimmed. On the demand side, the slim capacity to maintain the level and quality of services and other activities in the face of static or reduced funding can also be attributed, in part, to the widespread increase, and changes, in the social needs and issues to which agencies are being pressed to respond in their communities.

Some agencies also reported increases in costs such as rent, and the necessity to divert human resources to the increasingly pressing areas of fundraising or the training of volunteers. As we learned from our own interviews, so too did the Social Planning Council conclude that the ultimate impact of cuts was a depleted complement of services in communities.

The agencies we examined in 8 Ontario communities presented a very diverse picture in terms of changes in income. Almost two out of three agencies were operating with lower revenues in 1997 than they had in 1992; while some had lost a little, some had lost 25%, 50%, or more, of their 1992 budget. Overall, the median grant income was down by more than one-quarter. Of the 40 organizations, 34 or 85% indicated that they felt more vulnerable now than they did five years ago, half felt much more vulnerable than five years ago, and one in four feared for their survival. This sense of severe threat was often occasioned by major reorganizations in the relevant policy area of government, or amalgamations, or devolution. The other primary reason which Executive Directors identified as responsible for their organization's increased vulnerability was loss of funding or ongoing funding insecurity.

There were clear signs that many factors beyond the resource issue were taking a toll -- for example, stretching to fill gaps in needed services in the community which were beyond the agency's mandate; work and worry involved in policy changes; restructuring required by the funder (usually government) or by amalgamations and devolution, and the need to reorganize in response; pressures to change practices to increase fundraising; partnering; implementation of computer technologies; measuring and reporting on

outcomes; and so on. Agencies found themselves depleted in terms of their human resources and very conscious of community needs which were not being met. They also provided rich examples of how decisions they were having to make around staff and resource deployment and expectations being placed on them were raising serious concerns about their ability to stay the course in terms of their mission and quality of service.

B. Findings

1. The Challenge of Resources

This section reports on the sources of the agencies' income; the changes in the proportion of government funding; the great difference between their incomes; the similarities between our data and those from three other studies; and some of the issues which arose, related to the costs and benefits of fundraising, using volunteers, and other avenues of diversifying income.

A good illustration of the striking diversity among agencies within the voluntary sector can be obtained by examining the combined financial resources of our sample and the great variation in how these resources are allocated. As a group, the agencies expend approximately $140 million in total annually; average expenditures are $3.8 million per organization. However, the distribution of those resources is so skewed that the use of total and average statistics is misleading.

The principal dimensions of diversity examined here are:

a) the range and the uneven distribution of income,

b) the difference between agencies in metropolitan and smaller communities, and

c) the variation in the impact of cuts and changes to government funding, including the different situation of 'winners' and 'losers'.

The Range of Income Variation The median (middle) income is approximately $750,000, far below the mean (or average) — a dramatic reflection of the presence of a few large agencies. The range is also highlighted by the great distance between the highest and the lowest income; the income of the most well-resourced agency is more than 1,000 times greater than that of the smallest. One organization, representative of the few large agencies in the sector, administers an annual budget that accounts for almost half of the total $140 million of the group as a whole. In statistical terms, it is an outlier. When it is removed from the picture, as in the second column in Table 1, the average for all other organizations is reduced dramatically. The 5% trimmed mean -- that is, the average of the middle 90% of agencies -- is under $2,000,000 annually.

Income Categories We sorted the agencies by income from the highest to the lowest. Then using quartile or 25% cutpoints, we created income categories with one-quarter of the agencies in each category. Even with the largest agency removed, the best-resourced quartile brought in 84% of the total income of the forty agencies as a whole. As Figure 1 illustrates, the proportion claimed by the lower quartiles shrinks at each level until the lowest, least-resourced quartile contains a mere 1% of the total resources.

We found that agencies in the most heavily resourced top quartile are more likely to:

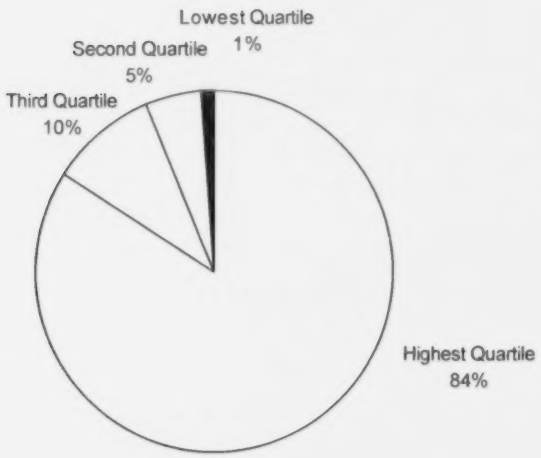
- be located in metropolitan centres,
- evidence moderate or high levels of professionalization of staff,
- have been established for more than 20 years,
- operate several sites,
- belong to many associations,
- have significant legal concerns,
- employ more than 20 paid staff, and
- be administered by a male Executive Director.

These larger agencies, however, were not immune to loss of grants or other income over the past several years.

Resources are More Scarce in Smaller Communities Community size makes a marked difference in access to resources, with average income from both government sources and from fundraising declining progressively as one moves down the scale of community size. In terms of change in annual income between 1993 and 1997, agencies in mid-size cities took the biggest hit. The median change in the larger

Figure 1

Proportion of Total Income in each Quartile



centres was a reduction of 7%; in middle-size cities it was a loss of 12%, and for small towns the median change was a loss of 3%.

However, in contrast to Rekart's study in British Columbia a decade ago, our agencies in smaller Ontario communities were not more likely to have lost government funding over time. Rekart's survey is the only other we are aware of that included a sample of agencies from municipalities of different sizes. Rekart also found that agencies in smaller communities tended to have access to fewer resources. She noted a marked decline in the availability of government funding between 1982 and 1988 for agencies in mid-size and smaller communities. In contrast, while agencies in the smaller centres in our study had less access to

income and to grant funding, their relative situation did not deteriorate in the 5-year period examined. In fact, while these remained small, the agencies in small centres increased both their overall incomes and their grant incomes during the mid-1990s. This would appear to be consistent with recent interest in community care and access.

Also, while provincial grants made up only 2% of funding for agencies in smaller communities in Rekart's 1993 study, grants comprised approximately 20% of 1997 income for the Ontario agencies we surveyed.

Winners and Losers As a whole, our sample of agencies did not experience a reduction of income over the five-year period between 1993 and 1997. However, the most commonplace experience was a loss of income. The income-losing agencies outnumbered income gainers by a ratio of almost 2 to 1. Losers were found in each community and they served a range of clients: children, the mentally and physically disabled, victims of crime, and newcomers to Canada. Among them, they lost $7.5 million for an average loss of $350,000. One organization closed due to a 60% one-time budget cut. For most, the reductions came from a series of cuts, often from more than one income source. One in every three with government funding has seen a reduction in the proportion of core funding. Income losses affected agencies all along the income scale. A group of the largest agencies lost millions of dollars in income over the five year period, while a few gained significantly. Mid-size and smaller agencies lost income in varying degrees, from as little as 5% to as much as 50% or more.

Sources of Funding As Table 1 reveals, when we exclude the largest agency which was atypical, provincial funding, more or less equally divided between grants and contracts, made up about half of the aggregate annual income of these organizations, and government funding from all levels formed about 80% of that income. For these organizations, grants provided one-third of funding both in 1998 and 5 years earlier in 1993. More than three-quarters of the organizations we queried listed a provincial department[3]

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[3]More than 25% received significant funding from a federal department, and 15% mentioned a municipal government as one of their more significant funders. For one in ten, the United Way played a vital role, while one in four relied significantly or entirely on donations and fundraising.

as a major funder; for half, that department was the Ministry of Community and Social Services (MSCC) and for one-quarter it was the Ontario Ministry of Health (OMH).

Figure 2 presents a further illustration of the distribution of income by source for 39 agencies, showing how much of the funding 'pie' depends upon government support. This illustration also shows in graphic form

Table 1 Percentage Distribution of Income by Source, 40 Central Ontario Voluntary Agencies, 1997

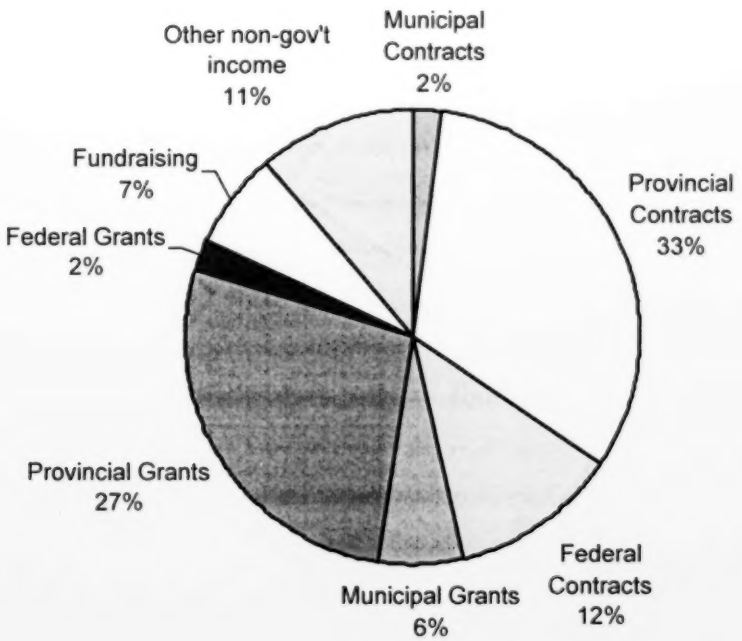
Income Source	Percent N=40	Percent N=39*
Municipal Contracts	1	2
Provincial Contracts	16	32
Federal Contracts	6	12
Total Contract Income	23	46
Municipal Grants	13	6
Provincial Grants	53	27
Federal Grants	1	2
Total Grant Income	67	35
Total Government Income	90	81
Fundraising	4	7
Other non-gov't income	6	11
Total Income	100	100

*Figures in this column exclude the largest agency

the approximately comparable share of the total funding pie made up of provincial contracts and provincial grants -- although it also shows that provincial contracts represent a larger slice than do provincial grants. In view of concerns about a shift to contract funding expressed by those we interviewed, it may be somewhat reassuring to witness that provincial grants remain a significant source of income for these agencies while federal grants account for a small percentage.

Concerns have been raised within the sector about reductions in the availability of grant income. While Rekart's study of Vancouver-area agencies found a substantial increase in incomes received by all the agencies over the period 1982-1988, the central finding from this research was the substantial change in the nature of funding from the province, with an almost 40% reduction in provincial grants and a 32% increase in funding via provincial contracts, as detailed in Table 2.

Figure 2 Income by Source



Our interviews with Executive Directors revealed that grants have become so few and so difficult to obtain

Table 2 Changes in Sources of Funding in 97 British Columbia Agencies, 1982-1988

Funding Source	1982 %	1988 %	Change %	% Change in Constant $
All Government Income	79.0	79.0	0	80
Provincial Grants	34.8	21.4	-39	10
Provincial Contracts	39.4	52.2	32	132
Federal Government	3.7	4.8	30	132
Municipal Government	1.0	0.8	-20	49
Non-governmental	21.0	20.7	-1	77
Fundraising	5.2	6.2	19	36
Fees	13.7	12.8	-7	114
Other Non-governmental	2.1	1.7	-19	70
Funding in $1000 constant	64,220	115,282	80% increase	
Average	483	867		

Source: Rekart, 1993

that some agencies are choosing not to put resources into grant applications any longer. One Executive Director commented that her agency had recently sent letters of support for fifty different agencies, most of whom were applying for small grants in the vicinity of $10,000. In both 1993 and 1997, just over half of the agencies had any grant income. Still, the agencies did not witness a striking loss of grant income. The total grant monies (in constant dollars) administered by these agencies decreased by approximately 10%, while both the average and median amounts declined by closer to 25%. Of those which had experienced a change in grant income, the change was modest for some (around 5%), while a few lost between 30% and 90%. Thus, as with income as a whole, these agencies had not witnessed a striking decline during the mid-nineties as a group, although some agencies had experienced a significant loss of grant funding. Also as with total income, a few agencies received very large grants while the median grant amount was in the range of $380,000, down from a median of approximately $480,000 five years earlier in 1993 (excluding the largest grant-holder). Given that our study involves a small and purpose-specific sample of agencies, these rather surprising results in regard to resources, and in particular the continuing importance of grant income, warrant a comparison with other recent data. Based on tax receipts filed by charitable organizations, Sharpe (1994) estimated that government sources of revenue represented 57% of total

revenues, donations and fundraising approximately 12%, and fees and other non-government income approximately 30%.

Table 3 presents comparative data from our study (which is identified as the Ontario 1997 study), along with the 1997 survey of Ottawa-Carleton agencies and the most recent (1996) study of those in Metropolitan Toronto. The categories are not perfectly comparable; in particular, the Ottawa study does not distinguish whether government funding is in the form of contracts or grants, and the Toronto study aggregates all government contracts. Also, none of these studies is rigorously representative

Table 3 Percentage Distribution of Income by Source, Comparative Data from Three Ontario Studies

Income Source	Ontario 1997 % N=39	Ontario 1997 % N=40	Totonto 1996 % N=293		Ottawa 1997 % N=48
Municipal Contracts	2	1			
Provincial Contracts	32	16	10	All Gov't Contracts	
Federal Contracts	12	6			
Municipal Grants	6	13	4	Municipal, Metro	7
Provincial Grants	27	53	50	Provincial	69
Federal Grants	2	1	4		2
Fundraising	7	4	5		2
Other non-gov't income	11	6	27	Fees, other	20
Total Income	100	100	100		100
All Contracts	46	23	10		
All Grants	35	67	58		
All Government	81	90	68		69

by the usual statistical criteria. Nonetheless, in the absence of national figures, the studies are useful in providing broad indications of the funding situation in the three areas and it is possible to make some tentative observations. In particular, while government funding is significant among the full set of agencies in our Ontario study, it is an especially dominant source of funds in the metropolitan centres, as the two

other studies show.

In all three studies, fundraising contributed relatively little to the total resources of agencies. In the Toronto and Ottawa studies, fees and other non-government sources of income are more significant than they are in our Ontario study. This is consistent with our observation that agencies we interviewed outside the metropolitan centres of Toronto and Ottawa were generally less able to garner significant income from such sources.

Taken together, our results and those from the Ottawa and Toronto studies suggest that sources of funding within the voluntary sector in Ontario may not have changed as much as might have been expected. While total resources remain modest, and many agencies have had to reduce, cut or change programs in light of reduced government funding, government funding remains of central importance in the sector. As the Executive Directors explained in detail, in spite of extensive efforts alternative sources of funding cannot be marshalled to any great degree, most particularly not in smaller centres. Perhaps, in the long run, funders' attempts to encourage voluntary agencies to seek multiple sources of funding, to partner, and to augment their charitable income with market income, will have only modest impacts on the overall sustainability of agencies in the long term. If so, much energy and disruption of program activities will have been spent to little avail. As interviews made clear, while aggregate income may not have changed dramatically, the efforts expended to maintain resources and to endeavour to keep up with rising demand, have been substantial. The payoffs from these efforts, though, have been disproportionately modest.

Income Instability Income instability was reported widely among organizations of all sizes and types, with various types of funding, and in communities of different sizes. Only one organization did not experience income instability over the last five years, and that was a new agency. There was an almost even split between agencies which reported they had experienced moderately high income instability and those who described it as very high. Those who said their level of income instability had been very high were found in all but the highest income categories.

Many agencies also reported concerns about their effectiveness in light of the energies devoted to maintain income. Agencies with less than $200,000 in income annually were the most likely to say that they were not more effective now than they were five years earlier. It appears that small organizations have a lesser capacity to devote resources to expanding their funding sources or making major adaptations. One element of the heightened energies devoted to preventing income decline was the greater uncertainty surrounding relations with funders and the reduced interaction with government representatives. Relationships with virtually all provincial and federal government funders were reported to have deteriorated in recent years. A number of Directors said these relationships used to involve a sense of partnership and dialogue, but they now seemed more one-way, with government representatives simply acting as spokespersons for decisions made at the highest levels. Others said that they felt they were operating in the dark, without adequately understanding newly-developing policies, and that this greatly impeded their ability to develop new programs or to engage in long-term or even mid-term planning. A related concern involved a prevalent view that agencies should adapt to an environment of scarce resources by providing briefer and more focused services. Some Executive Directors said: "*It is not so much the cuts — we have adapted to that; it is the lack of control over how we provide the service which is most disheartening.*"

Increased Vulnerability Reports of increased organizational vulnerability were widespread. Of the 40 organizations, 34 or 85% indicated that they felt more vulnerable now than they did five years ago -- and some of those who did not feel vulnerable said it was only because they have been very vulnerable for a long time. Half of the organizations said they felt much more vulnerable than five years ago, and the rest felt somewhat more vulnerable. One in four feared for their survival. This sense of severe threat was often occasioned by major reorganizations in the relevant policy area of government, or by amalgamations or devolution. The other primary reason which Executive Directors identified as responsible for their organization's increased vulnerability was loss of funding or ongoing funding insecurity.

Beyond funding concerns, many Executive Directors stated that the vulnerability of their organization was heightened by changes in the priorities of governments. Several mentioned a concern about overall social

trends, including a sense that the public was becoming less compassionate on some issues. Also mentioned were the increases in legalization, competition and difficult clients. Other factors may derive from the trend to seek funding diversity by developing enterprises, getting into gaming, or engaging in extensive fund-raising.

> *"Our organization is more vulnerable as a result of its increased business presence. We bought this building with little in the way of reserves -- that is high-risk. Then we have landlord responsibilities and headaches. Overall, our exposure is high. We are doing most of these things in an effort to reduce our reliance on government funding."*

> *"We feel more vulnerable in terms of the apparent direction from the public. Also, as a result of amalgamation we had many additional expenses and responsibilities and challenges. Now the policy area is being 're-shaped' and we don't know what the results of that will be. We don't know whether our service will be seen as a 'core service' by the Ministry."*

Can Increased Volunteering Offset the Demand on Scarce Resources? Among the several approaches suggested as possible adaptations to the new resource realities of voluntary agencies has been the call to encourage volunteering. Indeed, that has been a significant component of the government of Ontario's response to the resource concerns of the sector. The 1997 National Survey of Giving, Volunteering and Participating (the NSVGP) indicates that volunteering did indeed increase but only by about four percentage points between 1987 and 1997. Seven and a half million Canadians, or 31%, reported in 1997 that they helped volunteer organizations (which includes sports teams, parents' associations, and hobby clubs as well as social service-providing voluntary organizations, which were a minority). The overall change, in terms of volunteer resources utilized by nonprofit agencies, represents more people volunteering, on average with less time available (down from an average of 191 hours per year to 149), for an approximately equivalent, or somewhat reduced, count of total hours. Given the resources necessary to train and manage volunteers, this could amount to a net human resource loss for many agencies. Perhaps this is why the agencies we interviewed stressed, not the difficulty of finding volunteers,

but rather the challenge of procuring resources necessary to make good use of them.

Approximately one-quarter of the agencies we studied engaged fewer than 10 volunteers; in many cases, this probably meant Board members were their only or principal volunteers. Approximately half of the rest had between 11 and 100 volunteers, while the other half used the services of over 100 volunteers, with most of these using between 100 and 150. Four were supported by more than 500 volunteers. As a rough estimate, it appears that our 40 respondent agencies mobilized a total of at least 4,000 volunteers. Of course, many of these would only be involved in occasional fundraising or promotional efforts.

Approximately 6 of every 10 agencies we surveyed utilized volunteers to work with clients, higher than the approximately 35% of volunteers who indicated in the NSVGP that their volunteering involved providing direct care or support of some kind. Executive Directors told us that increased reliance on volunteers as service providers is not a viable option for all agencies. In some, use of volunteers may not be compatible with treatment programs that require trained professionals. In agencies striving for a 'home' atmosphere, or where clients are at risk or themselves pose a potential safety concern, only a small number of carefully selected volunteers are sought. In other situations, an agency will only be willing to use carefully selected volunteers who have the training and experience to help clients whose conditions require particular skills. Thus, while a broad range of the public can be very helpful in such general activities as fundraising or administrative tasks, volunteers who are qualified to work with clients may be more scarce. In addition, the motivation and time commitment for client service volunteer jobs may be less available. Tasks such as transporting clients, accompanying or visiting seniors or delivering meals, or being a Big Brother, may be types of low-credential, high commitment volunteering which may have less appeal in current social and economic conditions. One indication of this is the fact that Big Brothers, Big Sisters, and foster parents are now in desperately short supply, especially those willing to accept high-need children.

To What Extent Can Fundraising Increase Resource Capacity? In total, Canadian individuals donated $4.4 billion to charitable and nonprofit organizations in 1997, according to the National Survey of Giving, Volunteering, and Participating. Based on tax returns filed by nonprofit organizations, Sharpe

(1994) estimated all charities received approximately $8 billion from individuals, of which tax receipts were issued for $6.6 billion. Sharpe estimated that receipted donations from individuals represented 7.6% of total revenues in the sector, and receipted and unreceipted donations from individuals together represented approximately 9% of total revenues (12% for community organizations) (Sharpe: 20, 24). Day and Devlin (1996: Table 111.1.11), also using charities' tax returns, arrived at a division of 60% of total income from government funding and 11% from donations in 1994. Among the agencies we interviewed in 1997 and 1998, donations represented approximately 7% of revenues. This compares with 6% in Rekart's 1993 British Columbia study, 5% in the Toronto Social Planning Council study, and 2% among Ottawa agencies (see Tables 2 and 3 earlier).

However, both the greatly increased number of nonprofit agencies and the increased proportion which are engaged in fundraising campaigns create an environment in which competition for donations may well be more substantial than is generally recognized. In the current economic climate, institutions such as libraries, hospitals, and schools have come to rely on regular and substantial fundraising initiatives to generate funds over and above what government apportions them. Thus, the total number of organizations seeking funds is higher and, as well, other large institutions such as hospitals, art centres, universities, and even governments, are now increasingly engaging in expansive and professional fundraising campaigns.

Smaller-scale community agencies thus face several tough choices. Do they also hire professional fundraisers and go with the current of change? An obvious cost of doing so is the cost of shifting personnel or hiring people to provide that service. Interviews revealed less obvious costs as well. Slick fundraising campaigns may backfire if they are not seen to fit with an agency's frugal, volunteer-based public image. Another tough choice is associated with the fact that procuring donations may depend on 'marketing' one's clients. Agencies told us that public support is fickle and tends to go to dramatic causes, core institutions, or 'cute' subjects. Media coverage, which can have a very positive impact on both government and public funders, often depends on a willingness to exploit clients by showing teen moms in school, poor people sitting down to Christmas dinner, or the bruised face of an abuse victim sitting in a shelter. Many agencies are now struggling with decisions as to whether to permit such stereotyped portrayals on a regular basis.

All indicated that they put a high priority on their clients' right to privacy and would infringe on that with great reluctance, but the cost in foregone public support could be considerable.

2. Workload: More and Different

Increased Caseloads Increased demand is the norm. Several agencies report even having doubled or tripled their caseloads within a 5-year span. A few agencies have not taken that path, believing that staff ratios cannot increase without a decrease in quality as well as volume of service. One downtown Toronto agency with committed but very poorly paid staff has doubled its client load with no increase in staff at all. A handful of people do what they can for thousands of residents in one of the poorest corners of the city (with an average family income of $13,000). Staff do whatever is needed, from child-minding to translating to supervising volunteers. On top of this, they find time to participate in community assessments and research and community development projects.

Stories of such selfless, even heroic, efforts by staff to fill holes in the social safety net may be more likely among non-unionized organizations. Still, even unionized workers are doing more for less: more paperwork, at least; often additional tasks; and, in some cases, longer workdays for the same pay.

Almost half of the agencies, in general the larger ones, have union members on staff. Unionized human service organizations are about equally divided among agencies with some, and agencies with most, staff unionized. Given the low salaries in the sector, together with high qualifications and challenging work experiences, there is continued pressure for unionization within the sector. This may be countered, though, by the difficulties unionization may place on an organization's ability to increase its cost competitiveness.

For virtually all managers and front-line staff, the workload has not only increased; its form and structure have changed as well. Staff must adapt to many changes and long-term trends, including increased competition, funders' stipulation of multi-partner projects, increased accountability reporting, fewer committed and flexible volunteers, and, very often, clients with more complex problems. Almost universal

is the need to do much more in terms of keeping client records and keeping track of them and of agency activities on behalf of clients. Typically, this means learning new software (often recurringly) and providing minute details as to 'resource costs' or other components of the services provided to clients. Most agencies reported a massive increase in their paper work. The majority of organizations, other than those with the smallest budgets, have been engaged in computerizing, digitizing, and implementing case management software. The amount of time consumed by these projects has been enormous for many organizations. For some, this process was well underway a decade or more ago; for others, it is only now in full swing.

Except for some of the very small ones, most agencies are now becoming active on the Internet. This is more of a priority in non-metropolitan agencies as it can compensate, to some extent, for their significant transportation and communication constraints. However, it may also be more of a challenge for non-metropolitan agencies to access the needed utilities and resources; larger agencies have spent years developing or customizing case management software which is not relevant or usable by non-metro agencies.

For most agencies, the need to devote more attention to activities which support the primary mandate, such as fundraising, partnering, reporting, computerizing, and meeting clients' other basic needs, exacerbates the impact of having reduced resources. Naturally, this places a greater load on the human component of these organizations. On top of this, salaries are low throughout the sector and have been largely frozen for at least half a decade. Many trained and experienced staff in this sector, including those dealing with demanding clients, earn as little as $10 an hour, or $20,000 to $30,000 annually. Child-care workers earn between $21,000 and $27,000, "less than zoo-keepers," as one Director noted ruefully. Front-line workers who spend their days in homes, schools, or courtrooms, may spend their evenings preparing necessary reports from their day's work, often without pay. About half of the agencies we interviewed (and a higher proportion of those who have been hiring in recent years) engage new staff principally on a contract or part-time basis rather than as regular employees, as they have traditionally done.

New Functions and Responsibilities Organizations reported having to enlarge their roster of

activities, complementing their service role with increased attention to budgeting, computerizing client records and measuring service activities, promotion, fundraising, formal administrative procedures, and the development of partnered proposals and projects. Funders are increasingly making funding conditional on the presence of extensive partnering and evidence of diversified funding. This means additional time must be devoted to developing networks and negotiating and developing joint programs as well as to fundraising. Agencies themselves see promotion, media relations and visibility increasingly as key to funding or fundraising and so devote more time to those activities. Recruiting, training, and managing volunteers has been found to add significantly to organizational workloads. Only on occasion are there sufficient funds to contract with someone to do 'extra' work ranging from multi-media creation to responding to Requests for Proposals or preparing elaborate funding applications. These organizational pressures – new expectations, priorities, and need to reduce payroll expenses – were prevalent and tended to operate in tandem more often than in isolation. As a result, both the management and staff of many organizations have had to take on new, re-engineered and 'multi-tasking' roles.

Some managers tried to reduce their time spent on supervision in favour of allocating more time to the rising demands of networking and collaborating, public and media relations, fundraising, and grant applications. However, these managers observed that their staff told them they found it difficult to receive less supervision in these stressful times, with the constant presence of serious client issues. Staff wanted management participation in the difficult operational choices which they have to make. Several larger agencies cut middle management positions such as those responsible for supervising and coordinating one particular area of service. This may contribute to the supervisory responsibilities of senior managers, who, as we noted earlier, are being pressed to add new functions to their job profiles. In smaller agencies, some managers have had no choice but to reduce their time spent managing and developing programs in favour of returning to increased involvement in direct service delivery. In smaller agencies, the lost staff may have been the only administrative position, leaving social workers or other front-line workers compelled to take turns answering the phone or doing bookkeeping and other administrative tasks. Sometimes when crucial support functions such as cooks or maintenance personnel are lost, remaining staff have little choice but to become jacks, or jills, of all trades. The consequence is a more complex and stressful work environment.

Improvising to Meet Clients' Other Needs Many organizations indicated that much more time is now devoted to improvising to try to fill client needs beyond those funded, or to pull together with other agencies and community actors, such as service clubs and religious leaders, to see that what needs to be done is done. Examples include services such as Native Friendship Centres serving free lunches, soup kitchens being asked by child care workers to 'keep an eye' on 'high risk' children, and many agencies outside the metropolitan cores improvising to come up with travel money to get clients to health care or to visit them in their homes.

When speaking of their workloads, nonprofit managers providing human services naturally speak of their deep concerns about their clients. Most mentioned the work and stress factors associated with serving not only more clients, but also, more clients whose basic needs are not being met or who have multiple problems. A significant number mentioned increased safety concerns for staff working with more troubled and more violent clients. Many said that staff were suffering from stress due to the pervasive and chronic feeling that they simply could not do enough for their clients.

> *"There are fewer resources for clients, and staff feel that they cannot do their jobs. We use brief therapy but it is not appropriate for many of our clients. We do more group work and less one-on-one. The agency and staff have a strong philosophy - they object to brief therapy and hierarchy. They are here because they are committed."*

Economic data reveal that the average earned income of Canadian families has been in decline since 1989; they have also lost income from government transfer payments. As a result, the bottom 20 percent of families receive only about 6 percent of the country's total income and the richest 20 percent of families receive more than 40 percent of national income (Statistics Canada, 1999). The Executive Directors whom we interviewed repeatedly provided clear-cut depictions of the toll this trend is taking on their clients.

A number of themes recurred with marked frequency in our interviews:

- the difficulty of operating programs with clients who have multiple unmet basic needs;
- the worsening of clients' problems due to economic stresses;
- the heightened demands placed on agencies when ever more clients have complex and multiple problems and there are few who only need short-term or straightforward assistance; and
- the need for complementary services and programs to allow the agency to focus on its mission.

One shelter said it used to serve mostly the stereotypical 'rubby' -- older drinking men. Now it sees a greater variety of problem cases and they present more severe problems. It sees people with undiagnosed mental health or other problems, some with learning or developmental disabilities, the unemployed, and disabled. It reported the average age is now much younger and more of its clients are disruptive and violent.

3. Stressed Communities

Executive Directors identified a broad range of service needs in their communities that were not being addressed. Almost half of the agencies identified the following areas as having serious deficiencies: services for youth; services for families; treatment services of all kinds; mental health services; jobs; and adequate incomes. Agency Directors feel that there are fewer programs and services for children with special needs and for early identification and prevention of children's mental health problems, especially where the children are not the most needy or do not currently manifest severe behavioural problems. There is also inadequate support for parents, especially those who have developmental or mental disabilities.

Organizations which work with families note the reductions in social workers, speech therapists and other services in schools and the lack of student support workers, especially in smaller towns and cities. In one eastern Ontario county, for example, there are only 16 day treatment places and 3 mental health beds, no child psychologist, few assessment services, and no residence for pre-teens. The Director of an agency dealing with that county's young people noted that the agency was 'putting tons of resources' into

supporting one young person with severe problems who needed much more concentrated service; however, in Ottawa, the nearest urban centre with appropriate treatment facilities, the person would probably have to wait a year, even for assessment. The Director feared the youth would end up a young offender in the justice system before then.

Most non-metropolitan agencies put a high value on their community base. They tend to have close relations with such local institutions as schools or hospitals, value United Way membership or association with service clubs, and are given more coverage by local media. Some agencies which rely on their community base are worried about potential threats to this base, including problems in the community such as high unemployment as well as lost funding for public education programs. Also of concern is governmental restructuring which can erode the community base when agencies lose local per-diem fees, are obliged to serve clients from other areas, are amalgamated, or devolved so as to lose contact with their base. In towns centred on a resource economy, additional problems are associated with the instability in world commodity markets in recent years. Uncertainty due to instability in the labour market leads to associated instability in psycho-social health. Thus, a northern mental health agency found a regular pattern of increased young male suicides six months after large-scale plant layoffs took place.

In larger metropolitan areas, on the other hand, the high cost of shelter virtually ensures that a low-income family will have to make painful choices between housing and food. It has been noted elsewhere that three-quarters of two-person households who said they were hungry at least twice a week paid more than half of their income in rent.[4]

Thus, the client and community issues can vary as between metropolitan and non-metropolitan communities, large and small communities, relatively stable and boom-and-bust economies, and so on. However, there are also many issues that are common across the board. These include a lack of decent jobs, especially for those with particular limitations or lower skill levels, cuts to personal transfer payments of all sorts, less

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[4] Shelter: The Price of Hunger. Daily Bread Food Bank: Toronto, 1997.

access to (un)employment insurance, and fewer resources for those with multiple and complex personal problems. Together these contribute, not only to stressed individuals, but also to stressed communities.

Another of the links between stressed individuals and stressed communities lies in the rarely-acknowledged fact that an increasingly broad array of social service organizations play a role in diffusing family tensions and tensions among individuals and that these have the potential to result in violence. For this reason, a significant proportion of social agencies play a role which is relevant to "social safety". They serve clients who have the potential to seriously harm others or disrupt the peace. These include some persons with mental illness, others with an addiction, as well as potentially violent youth and adult offenders. Two out of three of the agencies we spoke with played a role in maintaining social safety. Approximately 23% (9) played a significant social safety role, while another 45% (18) at least occasionally counselled or supported persons who demonstrated aggressive or violent behaviour.

Notwithstanding all the reports of an increased emphasis on early responses to the problems of at-risk children and youth, that is not the trend which our organizations are observing. Rather, they spoke of their increased concerns about children and youth who need intervention and are not receiving it. Kids are less likely now to be removed from abusive families and unlikely to get adequate medical treatment. The Safe Schools policy leads to a significant number of student suspensions and these in turn lead to heightened family stress, and ultimately to some youths being ejected from their homes. Agencies dealing with youth warn that stresses and challenges are not being dealt with until they reach crisis levels. That is bound to have a serious impact on communities as well as on the individuals and families involved, later if not sooner.

4. The Changing Social Environment

The current environment is one in which the pace of policy change, accompanied by income instability, new demands from funders, and changes in the social environment, combine to tax voluntary agencies. Change

has reached a speed and scope which exceeds many organizations' ability to respond in a stable manner. A key indication of the speed and scope of environmental changes impacting organizations is the fact that most of our respondent organizations were, in the winter of 1997-98, in the throes of either a restructuring, a devolution, or an amalgamation, or saw one or more of these radical changes looming on the horizon.

Restructuring, Devolution and Amalgamation A list of the various major changes in structure on operating policy to which the 40 organizations in aggregate were subject included these:

- the re-visioning of mental health services and children's mental health services;
- the restructuring of services for children with developmental disabilities;
- the Violence Against Women Initiative;
- the proposed Integrated Services for Northern Ontario;
- amalgamated and restructured Long-Term Care Services administered by the new Community Care Access Centres together with increased marketization of home care and home nursing through the Request for Proposals process;
- the restructuring of Addiction Services;
- a massive amalgamation of 20 near-north local Training and Adjustment Boards into the Northeastern Ontario Network;
- drastic funding reductions to community corrections and development of more centralized jail facilities;
- devolution of responsibility for publicly supported housing;
- reorganization of corrections;
- downsizing in federal and provincial departments providing settlement services;
- broad-spectrum policy-based withdrawals of service, as in the provincial Who Does What? paper
- loss of municipal per-diem payments for treatment beds;

- closures and downsizing of hospitals and psychiatric services;
- re-visioning of employment training around the new Employment Insurance.

In addition, there were various large and small amalgamations and new policy thrusts such as the reduction of support for special needs within schools and the 'safe schools' policy. A number of municipalities are amalgamating or restructuring — with significant consequences for community agencies whose catchment area and associations may be redefined. As well, "umbrella" or administrative nonprofits, such as the United Way and Easter Seals, are reported to be restructuring and shifting their priorities. At the same time, there are new thrusts by provincial and national organizations that involve accreditation initiatives, internal reorganizations, and self-directed mergers and amalgamations. Several organizations had experienced more than one of these events. One organization was dissolved and then reborn in a different city with a different mandate; another had been dropped from its District Health Council and was in limbo waiting to be assigned to a new district but living with the possibility that it would never be reactivated. Some Executive Directors had shepherded their agencies through several major policy rewritings by a number of different funders.

Amalgamations can be a particular challenge for non-metropolitan agencies, and communities, because they multiply the already challenging hurdle of geographic dispersion and having to travel long distances. This is the case, for example, for small agencies attempting to serve the 50,000 square mile Algoma region in central northern Ontario.

An Increasingly Competitive Environment Changes in how funders identify services, in their expectations of demonstrated impacts and cost effectiveness, have been one element creating an environment in which competition from for-profit agencies has increased in the not-for-profit sector – in particular, for client services such as training and special education services which are relatively well remunerated. Almost a quarter of the organizations we spoke with faced the current or imminent prospect of competing with for-profit organizations in providing social services. Generally this was facilitated by an

increased tendency for governments and other funders to itemize services in terms of standard and universal 'units of service'. For example, meals have become 'units of service', often with no distinction made between a purchased delivery of frozen entrees, a meal accompanied by a friendly visit with a long-term volunteer senior who keeps an eye on health changes, or an elaborate 'garden-to-table' program with multiple benefits. Each may be reduced by funders to the same 'unit of service' that can be priced at a known cost. In general, this trend may be to the disadvantage of the voluntary organization which has endeavoured to provide 'more for more' while the for-profits may be more likely to offer 'less for less'.

Competition across formerly-respected 'turf' borders within the voluntary sector has also increased in the current high-performance, high-expectation environment. Increasingly, size pays, by enhancing the ability to bid for contracts, maintain extensive data records, and provide detailed evaluations. Hence, more and more agencies are seeking to expand their 'market share.' This leads some agencies to look over their neighbour's fence for clients in related fields whom they might serve. Agencies which, in the past, only served men are opening women's shelters. Children's or famil ervice agencies are competing for contracts to provide children's mental health services. Agencies which help pregnant women are adding programs for moms and tots. In some cases, this is a small-scale expansion by one community agency but in others, notably in the area of children's mental health, very large national agencies are engaged in extensive competition. In the area of home care, nonprofits are competing, not only with for-profits, but also with nonprofits who have not in the past occupied that 'turf' -- the Red Cross and hospitals. It appears that the competition is not only for resources and "market share" of the demand or need for service, but perhaps even more so for legitimacy and justification — in the end, for public support.

Demands for Reporting Agencies are increasingly being asked by funders and by the general public to prove their effectiveness both in terms of measurable and demonstrable success at resolving social problems and in terms of the efficiency with which they do so -- relating the numbers of people served to the dollars devoted to specific programs. This trend, together with society-wide performance management trends, has been significant in the above-noted movement to break human services work into units of

service which can be compared from one agency to another. This management trend has also significant impacts both on resource usage and on the character of voluntary agencies.

In terms of the impact on resources and on management, more than two-thirds of the agencies which receive government funding reported that they were experiencing moderate to major increases in time spent on reporting to funders. Most, however, did not object to the time expended as much as to the nature of the performance measures which were increasingly being demanded. Most Directors told us that they found the measures and records which were called for were very much of an accounting nature. While they recognize and support the importance of maintaining standards of accountability to the public in terms of dollars spent, many felt that other elements of their services and of clients' needs also warranted measurement and study. Executive Directors maintained that the data, reduced to 'units' and costs, told little about their agency's true effectiveness in addressing clients' needs. Executive Directors spoke of the 'widget' model and of the frustration of being forced to consider treatment units as comparable which they believe are not comparable. In spite of all the record-keeping and reporting, some feel that governments and other funders are not getting the real information that is needed to gauge effectiveness.

Our interviews revealed several examples of the ways in which measuring cost efficiencies can be a misleading approach to assessing the effectiveness or performance of agencies in addressing social problems. For example:

- it is clearly more cost effective to deliver meals only to clients who live in densely populated areas, or to similarly target those who are collected for conjugal dining, rather than to travel further to reach more remote and isolated disabled or senior residents;

- it is easier to show efficiency in 'learning outcomes' if you only offer learning services to those whose extant skills and capacities are at the higher end of the spectrum;

- it is easier to demonstrate a focus on the most needy, if you exclude clients whose needs are not severe — but in some contexts, a parents and toddlers group, for example, this may not yield an optimal group dynamic;

- it could be more cost effective, but probably not more person effective, to focus home nursing on

clinical and physical needs and allow minimal (zero) time for social and psychological needs, including the assessment of possible neglect or abuse ;

- it may seem more effective, in the short term, to target treatment for troubled youth to those who are already in the court system, but the opportunity for crime prevention may be much greater with those who are not yet in the system;

- more clients can be fed and sheltered if no programs to reduce homelessness or other programs divert resources from the direct provision of shelter;

- more clients with a variety of issues from addiction to abuse can receive counselling and treatment if what they receive is 'brief', 'focused' or 'solution-oriented', but this approach neglects the fact that many of those seeking these services have more than one problem and that these problems have not been shown to be separable or quickly remediable.

Managers in the sector have a fundamental concern about the validity and utility of the measures of success used by funding organizations. For the reasons cited above, they doubt whether current efficiency measures really assess how well their agencies perform their mandates.

Increasing Attention to Contract, Liability, and Other Legal Issues About half of the managers we interviewed had witnessed a significant increase in legalization and indicated that this had become a major preoccupation and frustration. Agencies ran into legal issues in a variety of different spheres, depending on their activities. Factors behind this trend include (i) the need to raise money in various ways such as by establishing profit-making ventures, becoming a landlord, or establishing a foundation; (ii) the pressure to enter into partnerships; (iii) the repercussions of changes in government policy and calls to amalgamate and compete against service-providing for-profit organizations; and (iv) the elevated risks, and therefore potential liability, incurred by some agencies by virtue of providing services to people who may become unstable or violent.

The area which has been most often mentioned in the literature as requiring more attention to legal issues

is the area of client rights and potential litigation by clients or their families.[5] Approximately 1 in 5 organizations specifically mentioned having these concerns. However, over half mentioned the general field of human resources as being increasingly legalized. These two fields of concern were dominant. Legalization of staff relations is related to a soft job market for social workers and other front-line staff and hence to decreased staff opportunities, higher job demands, and heightened staff vulnerability.

Concerns about liability vary:

- some agencies employ disabled clients as part of their program
- some need to be cautious about the kind information or advice they provide to clients, to avoid, for example, giving what could be construed as 'medical' advice without the necessary qualifications
- some drive disabled clients, or engage volunteers to do so
- some see volunteers or staff at potential risk from clients
- some worry about the possibility of charges of negligence or abuse by clients
- some worry because their funding and income are so uncertain that they might have to break their lease or be unable to pay staff or meet other legal commitments.
- others worried about the division of liability when providing services with a partner.
- agencies may find themselves in court with, or on behalf of, clients. They have concerns about keeping records which could be subject to subpoena. If clients may be victims of crime, the careful maintenance of client records is vital. If clients may be suspect, the focus of client records policy has become to keep minimal information in the file.

New organizational activities require legal formalization and raise concerns around maintaining one's organizational status as charitable or nonprofit (i.e., tax-exempt). The current environment is also one in

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[5] The Ontario Advisory Board on Voluntarism (1996:5) refers to changing values "associated with a more diverse, more demanding and more litigious society" putting voluntary organizations under pressure to protect volunteers from undue risk and liability.

which organizations may be dealing with new enterprises, incorporating, or may be engaged in new contractual relations with partners, collaborators, co-tenants and so on.

Professionalization One way of adapting to a number of pressures is to ask staff to perform additional tasks; another way is to hire staff, or consultants, with new skills; or to devote resources to training of existing staff. Most agencies reported that they see professionalization as a growing trend in the sector and are themselves professionalizing within. Professional nonprofit managers are at the helm of all but the smallest agencies. Social work students often help with evaluation or research projects; professional fundraisers are hired on contract, sometimes for a short term, sometimes on an on-going basis. Pressures for accreditation, Quality Assurance ratings, and sophisticated evaluations all increase pressure to have staff with computer sophistication and other organizational strengths in addition to their commitment and capabilities in providing service.

Implications Agencies receive mixed messages, with praise for using volunteers and community resources at the same time that funders press for increasingly sophisticated treatment models and evaluations. Executive Directors themselves have mixed feelings, often wishing for both sophisticated theoretical and therapeutic and other skills as well as for staff with a community base and a committed attitude. They also increasingly feel the need to hire people more for their impressive resumes (which is an important factor in attracting funding) and fundraising or report writing skills, rather than on the basis of their abilities in providing the mandated services.

> *"People began here as almost volunteers, in that they worked for very low pay. Now they are not valued; if they applied now they could not be hired. The demand for qualifications is up; they don't need the qualifications to do the service, but maybe to satisfy requirements for the evaluations."*

> *"At first we were grass-roots, with a community-based group of participants and minimal funding. Now we are steadily taking courses and are to be accredited and have to achieve Quality Assurance. All of this is linked to issues around volunteer/ paid staff relations. Now we need people who can download software and do email conferences and evaluations and business management.*

> *"With the Request for Proposals process, the government asks for resumes of staff and they need to be very sophisticated. The province is looking to cut out agencies, they say there are too many. With this process many small, valuable agencies will not survive."*

Both the need to hire people with impressive credentials and with skills other than client service skills, and the tendency for small agencies to close in favour of larger agencies which serve large catchment areas, contribute to the erosion of community resources. It may be easier for funders and government to deal with fewer agencies and clearer reports, but the cost may be underserviced communities and a reduction in community integration as well as isolation among the few agencies remaining in smaller communities.

5. Expansion, Formalization, and Other Organizational Changes in the 1990s

Executive Directors were asked what kind of organization theirs was ten and five years ago, and what it had now become. We asked them to spell out what changes had occurred in organizational structure, size, and scope or mandate. Only a small number of the smaller, local organizations had remained relatively the same in terms of organizational makeup and without a substantial increase in the number of clients served. Most are serving more clients. In fact, the increases in size tend to be major. Although a few organizations only grew by a relatively modest one-third, agencies which tripled in size were much more common. In the most extreme case, an agency which served fewer than 100 clients ten years ago served almost 3,000 in 1997. In virtually all cases, the increase in staff complements had not kept pace with increases in clientele; in fact, some agencies were serving substantially more, and even operating more facilities, without comparable increases in staff.

The most-often mentioned structural changes, which generally accompanied increased numbers of clients served, were increased levels of:

- formalization, centralization, standardization,
- hierarchy and bureaucratization,
- accountability, and
- being business-like and efficient.

Increased attention to costs, quality control, fundraising, legalization, unions, expertise, specialization, and professional development were also mentioned. A substantial portion of our group of respondent organizations had evolved from a grass-roots organization, operating from a church basement or a living-room, to an established and professionalized community service within the span of a decade. A significant number of agencies mentioned that they had purchased a building, amalgamated, expanded or limited the types of clients served, or changed their orientation or model of service.

> *"We expanded our mandate, moved to a larger facility, and became more formalized and hierarchical."*

> *"Ten years ago we were operating out of a church basement, with a church Board and no paid staff. Now we have some paid staff, we had a fundraiser on contract, we offer a broader service and have incorporated and put formal procedures in place".*

On the other hand, among the more long-lived organizations, a substantial number, even with increased caseloads, had reduced management. Thus, some agencies, especially those which had been thoroughly professionalized in the 1970s and 1980s, moved toward "flatter" structures, while smaller agencies often followed the opposite path. Also, notwithstanding the trend to becoming more business-like, some agencies shifted from being oriented to providing a service to a greater focus on being a community player, a network-builder and leader.

Some agencies both grew and retracted during the past ten years, with the late 1980s and first year or two of the 1990s often being seen as the high point for community agencies -- the fortunate time when they were expanding and developing programs. Comments about their relations with government funders and with their community, and about the lost enthusiasm of a core of community volunteers, as well as comments about workload, stress and morale problems all illuminated the same over-all trend towards retrenchment and frustration over the past decade. Ten years ago, agencies often felt like a 'partner' with government departments and staff felt less of a sense of scepticism about the inherent value of their activities and less frustration with the limitations on their ability to address social problems.

One agency, serving the most marginal clients in a small city, began 10 years ago with the generous impulses of 3 members of a Christian denomination. It built its community base, convincing the residents there really were poor people in their community, opened a facility, hired staff, including a cook and part-time maintenance workers, received government funding, and developed programs to address the roots of homelessness.

Now they receive no government funding, find themselves isolated both from government and community initiatives as a result, and struggle to provide the bare minimum services to more clients with increasingly complex needs. People in social services refer to what this agency now provides as the 'charity' model -- it presumes the poor will always be with us and asks communities to provide them with the minimum required for life. It is the model apparently favoured by several research institutes which argue that Canada's standard of what constitutes poverty is much too high, and by some politicians who believe that we are now providing too much to those on the lowest rungs of society. This is not the model which any of the organizations we interviewed want to follow. Those that find themselves unable to do anything to help their clients and their communities develop and become more self-sufficient live with a particularly bitter disappointment. As the Executive Director of a similarly-situated agency said:

> *"The enthusiasm we had in the early days was about making a difference in the*

larger picture, having a longer-term impact. This agency should not survive because basic needs should not be met by the voluntary sector. Governments should provide for the basic needs and charities should address quality of life issues and develop communities."

C. Impacts and Responses, in Broad Terms

1. Organizational Implications: Survival, Effectiveness, and the Struggle to Retain Ideals and Independence

In one way or another, almost all of our respondent agencies were involved in struggle. Some were struggling simply to survive, others to be or become more effective. The trait common to all, though, was the struggle for ideals and independence. The tension between that struggle and the imperatives of survival and effectiveness was an ongoing source of stress as well.

Perhaps mirroring the rough clustering of organizations as winners and losers in terms of their financial resource situation that we described earlier, our participating organizations also fell into two groups in terms of optimism and pessimism.

Notwithstanding all the turmoil, uncertainty and organizational strain, there was a substantial element of optimism in many organizations. Perhaps surprisingly, two-thirds of the Executive Directors judged their organization to be more effective near the end of the 1990s than it had been five years earlier. The factors to which increases in effectiveness were attributed were multiple and in general were quite particular to each organization. Often a combination of factors was mentioned which increased effectiveness, as well as some which had the opposite effect.

The most-often mentioned factors fell into two broad categories: those addressing client services, and those addressing the organization's profile in the community and with funders. Factors in the first category

included targeting a smaller complement of clients or using brief therapy as well as program development.

> *"We have more for the clients. The staff are better trained, they are better able to assess the clients' issues and direct them to services. We have more programs with a focus on life skills, things like anger management for the teens and involving them in buying the groceries and chores. We have added a Moms and Tots program and prenatal nutrition and are responding to requests to deal with issues in the schools."*

Some Directors reported that they were, indeed, doing more with less -- that they were serving more clients without more resources, and may even be serving them better. Some also indicated that the maturing of an organization can heighten its effectiveness. Others attributed some of their increased effectiveness to becoming more transparent and accountable or becoming more business-like.

> *"We are doing more with less after cuts of 15% from our budget. We are serving more kids and serving them better. We are more responsive and went through a process of clarification of values. We made the decision to be more transparent and get more feedback."*

> *"We have become more effective as we matured. We have built a good staff team and built trust among client groups. We have lots of links and networks. We have expanded our services to provide more of a continuum of care. We have tons of partners and stay involved with our families. Our families come to trust us and then are more willing to accept a referral to another service such as a speech therapist."*

Increased attention to proactive public promotion, broadly conceived, is seen as vital for increased effectiveness. This includes the promotion of community and governmental awareness, public education, and media relations. These promotional activities had various benefits, from improving awareness of the challenges faced by clients and helping to bring in unserved clients, to improving relations with government representatives. Events such as open-houses, special openings, and accreditation were normally used as occasions to invite the public, government representatives, and the media. A number of agencies

endeavoured to achieve regular media coverage; one had even developed the capacity to produce public awareness videos which it successfully provided to television broadcasters at no charge. Agencies also referred to the development of networks and linkages as significant elements in improving effectiveness.

> *"We are doing more promotion and are more visible. We have a new store-front space, a new Executive Director, and have made good staff changes and positive Board development."*

Behind some of these initiatives, many Executive Directors found more professional staff, strong and sometimes revitalized Boards, and in some cases, new and more business-like management. Several organizations benefited from major internal restructuring, in several instances as a result of a consultant imported as a 'fixer' who became the new Executive Director.

Mixed Messages In part, we may attribute the extensive finding of self-ascribed improved effectiveness among two-thirds of these organizations to optimism and a feeling of accomplishment in spite of trying working conditions. This is suggested by the fact that some of these positive assessments were qualified by both positive and negative considerations. For example, Executive Directors rated their organizations as being more effective even when clients were receiving reduced programs, waiting lists had grown, and stress was sky-high. One organization, in fact, said it had become more effective over the past five years even though it was about to close due to slashed funding. It is obviously not easy to balance the many, often contradictory, factors in an organization's well-being and that of its clients and arrive at an overall positive or negative assessment. Many of the Directors managed to remain optimistic in spite of many stresses and strains.

> *"We are more effective in spite of cuts and with the help of 'brief therapy'. Our programs have been limited as well as our client services. For example, we no longer do counseling against violence against women and our counseling for women victims of violence has been reduced to one short program without follow-up. But we are more focused and there is less staff turnover."*

The assessments of increased effectiveness should be considered in light of the following findings, however. Only four of our participating organizations -- one in ten -- indicated that their ability to serve clients had not been significantly affected by income instability or cuts. One-quarter of the organizations said they were seeing more clients; one-quarter said many clients had to wait to be seen; and one-third said some clients had to wait. One out of three agencies reported that they had less time for direct client contact and half had been obliged to cancel preventive programs. Perhaps most strikingly, three out of four reported that they now had to spend more time in crisis management for their clients.

Together, these indications suggest why many activities which successfully increased a particular organization's effectiveness might be countered by overall social trends and policy changes which have left more clients with multiple challenges and unmet basic needs in the context of fewer overall social resources. As a result, an organization's internal efforts to improve effectiveness may not meet with the level of success envisioned -- each support added to the bridge may be accompanied by ever-higher levels of floodwaters. Perhaps this is why Executive Directors responded to many questions which specifically asked about organizational development with answers that focus on clients' needs. For them, the two are inseparable.

> *"We are very disturbed by policy proposals which are being considered. We have no sense of the direction policy will take. The social context makes it harder to be effective. Our clients are hurt by the lack of legal aid -- that is crucial for them to get out of violent situations. The police protection which they need is reduced because they are under-staffed. Subsidized housing is not accessible; counseling is not accessible; the clients' needs are not met and that puts strains on us."*

Reduced or Static Effectiveness for Some One third of the agencies we contracted indicated that they were not more effective now than they were five years previously. The reasons generally involved a shortage of resources and a lack of time to attend fully to the needs of clients and the organization. Many of these organizations had seen their income slashed or had been through debilitating reorganizations or amalgamations.

> *"We have experienced great instability with multiple reorganizations and now devolution. We have less money and there are fewer resources in the community. We have less time for clients and their needs are greater."*

Organizations which said they were not more effective than previously were more likely to serve children, the poor, or victims of violence. The incidence of organizations which said they did not, overall, feel they were more effective was also higher in Toronto than in either Ottawa or the non-metropolitan cities and towns, probably reflecting particular conditions that prevail in major metropolitan centres of the country:

- high and growing population density
- very high churn factors such as immigration, out-migration, and residential movement
- a very high cost of living, especially for shelter.

These environmental factors may well make it more difficult to provide clients with adequate assistance.

2. Coping Strategies and Efforts to Reduce Reliance on Government Funding

Agencies of all types, large and small, metropolitan and non-metropolitan, are considering ways to reduce their dependency on unstable funding sources, or on any single or dominant funding source. In addition to marketing their services to firms, or asking clients to pay fees, agencies have been exploring many other avenues for raising funds. Some of these risk-reduction strategies, though, may raise new risks such as new forms of liability or a potential challenge to their charitable status.

The most common strategies directed at funding diversification were:

- increased fundraising activity
- pursuit of corporate funds, bequests, etc.
- new kinds of fundraising, including gaming, Nevadas, bingos, etc.

- establishing a profit-making enterprise, sometimes employing 'unemployable' clients
- charging fees for service, to clients or to businesses
- bidding for government contracts to deliver services
- purchasing a building
- becoming a landlord
- increasing links, visibility and promotion.

> *"We have made a lot of changes. We bought the building and we rent to tenants even though we had to run a deficit for one year. We use 'brief therapy'; we found that people's priority was to be seen promptly. We have four government funders. We do more fundraising and have a lottery. That raised our profile and led to 18 more walk-in clients a week. We established a new corporation for gaming and a foundation. With close to 3000 clients we maintain a rule that staff spend at least 60% of their time one-on-one with clients. Our field will be increasingly automated and outcome-measured, with 'managed care' and low overheads the model."*

> *"We did years of fundraising for this building; we use the facility day and night to collect rents; we manage as if we were a business. We adapted to people's flexible work hours by offering very time-flexible service without penalizing part-time or occasional clients. We are marketing our services to the private sector, especially high-technology firms."*

3. Social Implications: Doing More With Less? Or Doing Less For More?

Among agencies which serve clients, two strategies dominated in the quest to increase 'efficiency': brief therapy, and targeting. Some agencies provide therapeutic or counselling services -- to treat addictions or children's mental health conditions (suicidal; Attention Deficit Disorder, Fetal Alcohol Syndrome, etc.), or to counsel parents of at-risk children; they used to provide long-term support, but the typical adaptation now is to provide formalized, solution-focused, or brief therapy. For agencies with a less treatment-oriented approach, there has been an informal movement toward seeing more people but for a shorter period of time or with reduced programming. For example, hostels may have lost their programs to reduce homelessness

and now provide minimal survival; the more ambitious training programs which strive to offer cultural or linguistic choices or enriched ESL programs are stripping their service back to its bare bones. Approximately three of every four agencies serving clients have reduced the average time spent with each client so as to see more clients.

Some agencies have changed who they serve or how they serve in other ways, perhaps in addition to reducing the time spent with each client. They have:

- expanded the range of services they offer;
- expanded the type of clients they see (e.g., disabled as well as seniors);
- targeted or focused on a subset of clients (smaller age range; the most needy only);
- found themselves with only the more severe clients and those in severe crisis;
- changed their model of service delivery;
- had to take attention, and perhaps resources, away from clients to increase focus on organizational survival.

> *"Government departments are now tending to push agencies to see more patients without more resources, to achieve quick 'turnarounds' and to focus on clients in crisis or who pose a social safety concern."*

> *"We are targeting, we reduced the age category and programs -- the clarification of our mission is good but there are more gaps in the community now -- no one is serving the younger pre-teens we dropped, for example."*

> *"We have lost depth, prevention, and have less time for the community definition of needs. We have to focus on the clients' basic needs; children and youth preventive programs were cut because they were not clinical, medical enough -- they don't count as mental health."*

> *"We expanded our mandate, moved to a larger facility, and became more formalized*

and hierarchical."

"Ten years ago we were operating out of a church basement, with a church Board and no paid staff. Now we have some paid staff, we had a fundraiser on contract, we offer a broader service and have incorporated and put formal procedures in place. "

D. Summing Up

This study of voluntary organizations in Ontario in the 1990s has produced many disquieting findings. They prompt broader questions about the voluntary sector that warrant further consideration:

- What are the prime drivers of change in the sector?
- Are the conditions facing voluntary organizations today unique?
- Is the fundamental character of the voluntary sector being changed?
- Is it appropriate to consider the sector in crisis?

Much of the public discourse and debate about the voluntary sector of late has been framed in terms of the consequences of funding cutbacks, which are presumed to have been deep and wide. However, by and large, we found that resource reductions have been modest and could not be attributed to across-the-board, large-scale reductions in government spending on social services or financial support to the voluntary sector. Far more significant have been two other kinds of changes: the manner in which funds are now being provided to voluntary organizations, and changes in the social conditions under which these organizations are operating.

Funds are now provided to voluntary organizations with far more strings attached (as, for example, in the increasing use of contracts for services and extensive requirements for reporting and demonstrating program effectiveness) and this compels difficult changes in how organizations operate. This fact holds true across

the voluntary sector despite the enormous heterogeneity of its organizations in their budget and staff size, in their domain of operation (health, education, social services, recreation, etc.), and their location (in metropolitan centres, small towns, or outlying areas).

As for changes in the conditions under which voluntary agencies are operating, two broad kinds are evident: the need for services of all kinds in communities is rising at a pace that far outstrips the capacity to cope with it; and needs are becoming more complex. Many agencies report they are seeing increasing numbers of individuals and families with multiple needs — low income, illiteracy, abuse, housing, etc., in various combinations.

Many features of the voluntary sector's situation today have existed for a very long time: the ever-present difficulty of insufficient resources; the heavy, seemingly ever-expanding workload and concern for unmet needs; the challenge of finding volunteers and utilizing them effectively; the sense of organizational vulnerability. But there are elements in the situation today that appear to be distinctive: the shift in funding from grants to contracts for services; the growth of inter-agency competition — for funds, volunteers, and public support; the burden of responding to frequently-changing public policies and the increasing demands of funders for formal accountability; the growing concerns about liability; and fundamental changes in the social conditions within which voluntary organizations operate, such as increasing social diversity, rising social and economic polarization, and the growing incidence of multi-need individuals and families.

Although is has attracted little attention in the general media, these various forces of change affecting voluntary organizations can be regarded as one overarching theme which has the potential to irrevocably influence the basic character of voluntary organizations and voluntary activity. Among these forces are the pressures toward rationalization (maximizing organizational efficiency and eliminating all activities not directly related to the core mission); formalization (making organizational structures and procedures explicit and codified), professionalization (selecting personnel on the basis of credentials and formal education-based expertise); and commercialization (generating funds through the sale of services, and competing with other voluntary organizations as well as for-profit organizations). Taken together, they constitute a movement

toward "corporatization": basing operations on the template of large businesses. (See Ryan (1999) and Salamon (1999) for discussion of how these same trends are occurring in the U.S. and elsewhere.) These pressures run counter to several of the voluntary sector's defining traits: a strongly idealism-based ethos which places highest priority on responding to need or producing a social good, and doing so via indigenous, cooperative, mostly layperson- or community-based action.

The voluntary sector plays a vital role in social innovation, providing an alternative way of thinking and operating to that of markets and governments, and a sphere, beyond the individual or family, for broader collective energies. Not only is the sector as a whole an essential element of the societal diversity that may well be a requisite for what Karl Popper has called an "open society"; but diversity within the sector[6] also is valuable because agencies develop in response to community needs and benefit the communities in which they are based. Fewer agencies, and increased homogeneity both within the sector and among sectors, decreases the likelihood of community responsiveness.

Yet another under-recognized factor beneath many of the issues and concerns that our sample of voluntary organizations is coping with is a constant need to procure public support and legitimacy. This need is less visible and less quantifiable than the need for financial and human resources but it is an evident prerequisite for acquiring those resources and for functioning effectively.

Another of the deeper, less visible effects of the dynamics of change in the sector in Ontario is found especially in the domain of social services: there appears to be a differential weakening or loss of small, community-based organizations located outside metropolitan centres. In the longer run, this could result in a shift in the province's population of voluntary organizations toward a preponderance of large, big-city organizations. It is these organizations that are funded best and most stably. This may present further downward pressure on diversity.

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[6]Zimmerman and Dart (1997) provide a useful conceptualization of these different elements of diversity and the potential threat to diversity provided by the rising interest which charitable organizations have in developing commercial ventures as alternative sources of income.

While we do not feel there is yet an unequivocal, empirically demonstrable answer to the question of whether the fundamental character of the voluntary sector — its foundation of idealism and concern for the social good, achieved through largely informal private action — is being changed, it is clear that pressures in this direction are strong and numerous. It is a certainty that the forces of rationalization, formalization, commercialization, and homogenization will have major effects, but only with time will the consequences of such pressures become evident.

Is the voluntary sector in crisis, or just in transition? Clearly, the pervasiveness of such high levels of change, stress, uncertainty, and discouragement provide a basis for judging it to be in crisis, while the large proportion of Executive Directors who reported that their organizations were operating more effectively than ever before signals change for the better and indicates that the sector may be in a period of transition. While this study has been based on the perceptions and judgements of individuals particularly well placed to identify the conditions in, and forces acting on, the sector, we know that the turbulence of widespread change in government policy that waxed during the mid-1990s is now on the wane. We are compelled to be satisfied with identifying the principal trends and some of the dynamics underlying them, without being able to know, for the time being, the destination to which the totality of changes are moving the sector.

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